

**UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA**

Maria De Jesus Segura and Armando
Segura,

Civil No. 13-531 (SRN/JJK)

Plaintiffs,

ORDER

v.

Federal National Mortgage Association,
Mortgage Electronic Registration
System, Wells Fargo Bank, N.A., and all
other persons, unknown claiming any
right, title, estate, interest, or lien in the
real estate described in the complaint
herein,

Defendants.

William B. Butler, Butler Liberty Law, LLC, 33 South Sixth St., Suite 4100,
Minneapolis, Minnesota 55402, for Plaintiff Dean J. Welk.

Charles F. Webber and Elizabeth Ann Walker, Faegre Baker Daniels LLP, 90 South
Seventh St., Suite 2200, Minneapolis, MN 55402, for Defendants Federal National
Mortgage Association, Mortgage Electronic Registration System, and Wells Fargo Bank,
N.A.

SUSAN RICHARD NELSON, United States District Judge

This matter is before the Court on Defendants' Motion for Sanctions [Doc. No. 41].) On June 17, 2013, this Court granted Defendants' Motion to Dismiss the Amended Complaint. (Order of 6/17/13 [Doc. No. 50]) (dismissing the Amended Complaint with prejudice). For the reasons set forth below, Defendants' Motion for Sanctions is denied.

Defendants seek sanctions against Plaintiffs' counsel William Butler pursuant to Rule 11(c) of the Federal Rules of Civil Procedure, 28 U.S.C. § 1927, and the Court's

inherent authority to sanction attorneys. (Defs.' Mot. for Sanctions at 1 [Doc. No. 41].) Noting a series of Mr. Butler's appellate losses and the issuance of repeated sanctions against Mr. Butler in similar cases, Defendants seek sanctions here in order to deter future conduct and to protect Mr. Butler's current and prospective clients. (Mem. in Supp. Mot. for Sanctions at 12 [Doc. No. 43].)

Since the filing of Defendants' motion, this Court has observed in a similar case that Mr. Butler faces over \$320,000 in total sanctions in this district and has not paid any of those sanctions. Order of 9/5/13 at 11, Murphy v. Aurora Loan Services, LLC, 11-CV-2750 (ADM/JJK) [Doc. No. 185]. In addition, Mr. Butler's conduct has since been investigated by the federal judiciary. See In re: the Matter of William B. Butler, 13-MC-49 (MJD) (D. Minn. 2013). Following the investigation, Chief Judge Michael J. Davis issued an Order to Show Cause, ordering that the Court initiate formal disciplinary proceedings against Mr. Butler. Order of 12/2/13, In re William B. Butler, 13-MC-49 (MJD) [Doc. No. 4].

Since deterrence is the primary purpose of Rule 11 sanctions and Mr. Butler has been undeterred by the issuance of sanctions, the goal of deterrence "is not served by piling sanctions on Butler, especially when they appear to have little deterrent effect at this time." Order of 9/5/13 at 11, Murphy v. Aurora Loan Services, LLC, 11-CV-2750 (ADM/JJK) [Doc. No. 185]. Accordingly, while this Court appreciates the seriousness of Defendants' motion and does not condone the conduct at issue, the Court declines to award sanctions in this matter and denies Defendants' request.

Based on the foregoing, and all the files, records and proceedings herein, **IT IS HEREBY ORDERED** that:

Defendants' Motion for Sanctions [Doc. No. 41] is **DENIED**.

LET JUDGMENT BE ENTERED ACCORDINGLY.

Dated: December 13, 2013

s/Susan Richard Nelson
SUSAN RICHARD NELSON
United States District Judge